GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1659
ANSWERED ON:09.03.2007
SELF REGULATORY ORGANISATION FOR STOCK MARKET
Singh Shri Uday

Will the Minister of FINANCE be pleased to state:

(a) whether the Securities and Exchange Board of India (SEBI) has set up/proposed to be set up a Self Regulatory Organisation (SRO);

(b) if so, the details thereof;

(c) whether amendments in the SEBI Act has been envisaged to check securities scams; and

(d) if so, the extent to which setting up of SRO is going to check various irregularities in stock market?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) and (b): No, Sir. However, the budget for 2007-08 proposes to take forward the idea of self regulatory organization for different market participants under the regulations to be made by SEBI and if necessary, supported by an enabling law.

(c): Amendments in the SEBI Act are envisaged, based on experience gained, to strengthen the regulation of the capital market, which is expected to reduce the possibility of irregularities in the stock market.

(d): Self Regulatory Organisations (SROs), when set up, will function as first level regulators of the relevant entities whose functioning in the capital market the SROs seeks to address.